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Arizona American Water
W-01303A-10-0448
In Opposition

August 1, 2011

Sandra Kennedy
Commissioner

Arizona Corporation Commission
Commissioners Wing
1200 W. Washington - 2nd Floor
Phoenix, AZ 85007

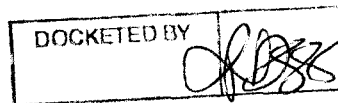
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2011 AUG 18 P 12:17

AZ CORP COMMISSION
DOCKET CONTROL

Arizona Corporation Commission
DOCKETED

AUG 18 2011



Dear Commissioner Kennedy,

As a homeowner in the Western Meadows Community in Surprise, Arizona, I am writing to express my concerns about the extravagant proposed increase to the City of Surprise water bills, which would result in an approximate \$76.00 quarterly increase in each homeowner's HOA dues in our community.

The extravagant proposed increase would be ludicrous - even if we had money to burn, but most of us in this community are just trying to get by from one payday to the next. I think I can speak for most people in our community by saying that we would much rather prefer having a little money to buy gas to go to work and putting food on the table for our families rather than seeing a green cactus at the entrance to our community. These cactuses are in the desert, for goodness sake, it's supposed to be hot in the desert! By some miracle, they have survived millions of years without any help from man. The weather is just as dry all over the rest of Arizona, too, but everyone certainly thinks all the cacti in those areas are still beautiful - regardless of whether they are green, brown, or all dried up! That's what gives them character!

We all work just as hard as you do to support our families. Everybody wants to increase rates in these desperate times to make more money and I understand that. A small increase may be justified but an 82.89% increase is absolutely absurd. Businesses can increase their prices and rates when they don't know how to budget on what they already have, but families such as mine are completely at the mercy of employers who are also trying every cost saving measure on the planet to increase their own profitability. As a result, we are fortunate if they are able to dole out a measly 1% increase annually, at best. Please understand...We are all trying to make it through tough times. We all have to stretch every dollar to survive but they can only be stretched soooo far.

Surely you can think of another way to handle this ridiculous situation. We are all trying to make do with what we have as best we can. Please let God take care of the cacti and let us feed our families!

Thank you for any help you can offer in stopping this foolish increase proposal.

Betty Hobbs

Katherine Nutt

From: BBarks8@aol.com
Sent: Sunday, August 07, 2011 2:19 AM
To: Kennedy-Web
Subject: Water Rate Increase

I wish to express my opposition to the proposed water rate increase. With the economy in the state it is , you could not have chosen a worst time. The size of the proposed increase is unreasonable and unaffordable for most people. I urge you to reconsider.

Barbara Barksdale
Surprise, AZ

Katherine Nutt

From: Jim Hilinski [jvhone@aol.com]
Sent: Friday, August 05, 2011 7:52 PM
To: Kennedy-Web
Subject: Water rate increase

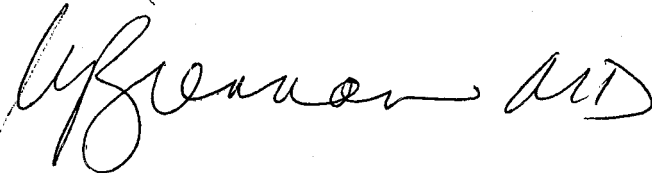
Dear Sandra Kennedy - My wife and I would like to register our deep concern about the possible steep rate increase for water services. It comes at a time when people like us on a fixed income cannot afford such a drastic change. We cannot be at the meeting but wanted you to know we are very interested in the process and the outcome. Thank you for your consideration in this matter. We are very truly yours, Jim and Pam Hilinski

Sent from my iPad

To: Mrs. Sandra Kennedy:

There is great concern within our community concerning the rate hike increase proposed for our water. Please do everything in your power to make sure we are not being penalized in the present for future projections.

Sincerely,

A handwritten signature in cursive script, appearing to read "Dr. Michael J Brennan".

Dr. Michael J Brennan

A line of text that has been completely redacted with a thick black marker.

Surprise, AZ 85374

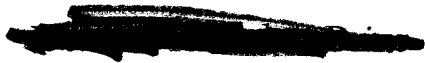
To: Mrs. Sandra Kennedy

I am greatly concerned with the proposed rate hike increase in our water bill. My husband and I are careful with our usage and hope you can fight to keep our rates reasonable. Thank you in advance for your diligence in this matter.

Sincerely,

Catharine C. Brennan

Catharine (Kit) Brennan



Surprise, AZ 85374

To: Sandra Kennedy, Commissioner

Arizona Corporation Commission
Commissioners Wing
1200 W. Washington - 2nd Floor
Phoenix, Arizona 85007

August 5, 2011

Subject: Data from public form- Docket # W-01303A-10-0448

Dear Commissioner,

I am writing to you and the other members of the Arizona Corporation Commission to protest the 82.89% proposed rate increase for my household water in Sun City Grand. My normal water usage runs approximately 3 to 5 thousand gallons per month for a cost of \$263 per year. Arizona American Water Company (AAWC) who was given the stewardship of providing water to our community wants to add an additional \$218 per year to my bill. This sum is according to Pat Dillon, the Treasurer of our HOA, to be paid in perpetuity. AAWC built the White Tank Water Treatment facility starting in 2007, for \$63.9 million. When we moved to SCG in June of 1998, the development had enough well water on the property to last 100 years. As original owner, we paid a hook up fee to use the well water. AAWC provides only 11% of CAP water to our community but expects us to pay 82.89% of the cost of their management decision to build a 30 billion gallon treatment plant when the anticipated West Valley growth never materialized. The cost of the plant was to be paid by hook up fees to those newly built homes, land developers and businesses that have not been built to date. AAWC said that they notified home owners in the Agua Fria Water District by inserting a notice of a proposed rate increase in our monthly water bill. AAWC currently does not mention anywhere on the water bill that my house is indeed in the Agua Fria Water District. To grant an increase of that magnitude to customers who only use 11% of the CAP water processed by AAWC and to expect us to pay the increase forever is both unfair and probably illegal. The admission by AAWC that they plan to be acquired by a Canadian company shortly, makes us wonder if this 82.89% rate increase makes their balance sheet look much more attractive to the perspective buyer, instead of a \$63.9 million note that needs to be paid off.

Please reject this proposed rate increase and instruct AAWC to charge the users south of Waddel Road, for whom AAWC originally built the White Tank Treatment facility.

Sincerely,

Paul A. Dudle

Paul & Lola Dudle


Lola M. Dudle


Sun City Grand
Surprise, AZ 85374
(623)-266-3655

Date: July 25, 2011

To: Arizona Corporation Commission (Docket #W-01303A-10-0448)

From: William and Cynthia Kroger


Surprise, AZ 85374

I live in Surprise, AZ and I recently became aware that Arizona-American Water Company has requested an 82.89% increase in the water rate. I am shocked and upset by this request. I am shocked because I wasn't aware that I lived in the Agua Fria Water District but mainly because any increase to a utility bill of 82.89% is outrageous. How can an increase of this magnitude be justified. It is my understanding that the justification is based on the construction of a larger than needed water plant. If in fact, Arizona-American Water Company built a largely unused water facility because they mistakenly anticipated a huge increase in the population in the Agua Fria Water District, then they should be forced to downsize their operation and pay for their own poor planning. I am upset about this proposal not only because of future increases to my water bill but also because the quality of my water has actually decreased. I have lived in Sun City Grand for almost six years but in the last year my wife and I noticed that our glasses, silverware and other items we wash in our dishwasher have become cloudy, spotted, and stained. I now find out that to show an increased need for that new water facility, Arizona-American Water Company no longer uses water from a water pumping facility that sits across the street from my house. They want me to pay more on my monthly water bill and for this I get a decrease in the quality of my water. In addition, any increase could result in an increase in my Sun City Grand yearly assessment to cover an increase in their water bill. I implore your commission to scrutinize any increase requested by Arizona-American Water and use common sense in the approval of any increase in the water rate for the Agua Fria Water District.

William E. Kroger, SR

Katherine Nutt

From: PHXJPO@aol.com
Sent: Wednesday, August 03, 2011 6:42 PM
To: Kennedy-Web
Subject: Proposed Water Rate Increase, Docket No. W-01303-10-0448

SUBJECT: Proposed Water Rate Increase, Docket No. W-01303-10-0448

FROM: John P O'Sullivan

[REDACTED]

Surprise, AZ 85388

TO: Arizona Corporation Commission

Date: 3 August 2011

Sir, Madam,

The proposed 82.89% water rate increase indicates one or all of the following:

1. Arrogance on the part of the requestor
2. Disregard of the present economic situation
3. Admission of managerial incompetence
4. Unmitigated greed

Before I would ever entertain this request, I would require the following:

1. Last seven years financial statements
2. Last seven years employment records
3. Records of personnel payments to include bonuses and allowances
4. List of major stockholders and record of dividends
5. Major operations sub-contracted and to whom

I offer my services, pro bono, to assist in evaluation of this request.

John P O'Sullivan

Katherine Nutt

From: Bert Hilliard [bertgswm@yahoo.com]
Sent: Monday, August 01, 2011 9:37 PM
To: Kennedy-Web; Newman-Web; Pierce-Web; Stump-Web
Cc: bertgswm@yahoo.com
Subject: Anthem Water Rates

Dear Chairman and Commissioners of the Arizona Corporation Commission,

First, I would like to thank-you for your service; I realize you do not have an easy job and probably feel like you are often put in a "no win" situation. That being said, I would like to tell you how one of your recent decisions is affecting my family.

After several months of hearings and hotly contested debates, you, the members of the Arizona Corporation Commission, rendered a decision on the water and waste water rates in Anthem where my family and I have resided since 2003. As you know, Arizona-American Water Company was seeking a 100% increase in water and waste water rates based on an agreement the company had with the developer of Anthem (Del Webb/Pulte). While you thwarted the company's effort to increase our rates by 100%, the commission did grant Arizona-American Water a significant increase for its services. Not to mention, you have guaranteed the water company increases through 2013. The dramatic rate increase has been a hardship for several families, including mine, in Anthem.

My water bill has increased approximately \$80 per month - it has gone from \$130 to \$210. Despite the high temperatures, I stopped watering my yard several months ago in an attempt to lower my water bill. Despite being a family of 5, we have only used 10,000 to 12,000 gallons of water per month, yet our water bill is over \$200. Last month, I had lunch with a colleague whose last water bill reached \$270. Mind you, he has an average sized lot with no grass, a wife, and two children.

In reading document decision 72047, I would like to take exception to the line, "The company states that ratepayers in the Anthem community have enjoyed the benefits of the system since 1998 without the full carrying cost of that system being reflected in rates... " (pp. 25 - 26). If residents of Anthem have not been paying the full cost of the system, then we have been paying an inflated rate for our water! My family and I moved from Scottsdale, to Anthem in 2003. At the time my water bill in Scottsdale was approximately \$72 per month and this included our trash service. When I received my second water bill from Arizona-American Water (not first since it included turn on fees, etc.), I called the company since my bill was \$95. Mind you, we were in the process of building a pool, we didn't have landscaping at the time, and trash service was not included in our bill. Basically, we were paying approximately 30% to 35% more for our water and waste water services. I was so surprised by the price increase, I called Arizona-American Water. Despite the conversation being nearly eight years ago, I remember the size of our water meter (1") played a distinct role in our water rates. So, I think residents of Anthem were paying more than enough for water. Also if Del Webb / Pulte wanted to develop this community, it should have included the costs associated with the water / waste water in the price of the homes.

I do have a few questions for the commission which I hope one of you will respond to. First, I don't understand why there is such a difference in basic monthly service based on the size of the meter. If I am reading the rates correctly (Exhibit A, p. 127), a homeowner with a 5/8" or 3/4" meter pays \$23.70 / month while a homeowner with a 1" meter pays nearly \$60 per month just for the right to have water. Shouldn't a homeowner's bill be based on the amount of water used and not the size of the meter? In addition, I have noticed that I pay \$75 per month for my sewer. Therefore, if I didn't use one ounce of water for a billing cycle, I would be charged approximately \$150 (based on the figures I have provided, taxes, and junk fees). I fail to see

where this is fair.

Also in document decision 72047, I noticed that the typical bill impacts are based on houses with either a 5/8" or 3/4" meter. What was the rationale in using these meter sizes to illustrate the typical bill impact? Do most of the houses in Anthem (Parkside and Country Club) that are serviced by Arizona-American Water have these sized meters? Continuing with this train of thought, does the typical bill impact include or disregard houses that were vacant and foreclosed when illustrating the average water usage by a household in Anthem? While I know this probably is not possible, I wish the commission would reconsider the rate change for Anthem you approved last year.

Ultimately, I am frustrated that every few months, one of my services (cable, gas, water, electric, insurance, etc) seems to be asking for a rate increase or increasing rates (please don't let the electric companies decouple)!! Unfortunately as an educator, my salary has deteriorated over the past three years (I wish I could ask for a 100% increase in salary and settle for a 50% to 60% increase) and it has been increasingly more difficult to raise three children in this economy.

I appreciate you reading my e-mail, and I would like to thank-you in advance for responding to my questions.

Sincerely,

Bert Hilliard

Thank-you in advance

17440 N Javelina Dr
Surprise, AZ 85374
July 18, 2011

Arizona Corporation Commission
Commissioners Wing
1200 West Washington
Phoenix, AZ 85007-2996

Dear Madam:

In Re: Docket No. W-01303A-10-0448

I was notified last week by my HOA that there is a rate increase request pending by Arizona-American Water before the Corporation Commission which will affect my water bill and the water bill of my HOA. I believe it is customary for a utility to notify their customers of any rate hike requests so that the consumer may provide comments to the Commission if they so desire. This did not happen for this rate request by Arizona-American Water.

I do recall an article in the newspaper regarding a proposed rate increase for the residents of the Anthem development north of Phoenix on I-17 in which the Agua Fria Water District was mentioned. However, I was never told by Arizona-American Water, nor provided with a map by Arizona-American Water showing that my water district was in fact the Agua Fria Water District. I therefore was not aware that any communications or articles that referred to the Agua Fria Water District might negatively affect my water rates by causing them to increase. In addition I have never received a notification of a public meeting nor an invitation to a public meeting to hear from Arizona-American Water on the proposed rate increase. It appears that there was a general lack of notification as I understand that only two HOA's that would be affected had provided any comment as of last Friday, and I am certain that the rate increase as large as has been proposed would have large impact on **their** budget.

I live in a retirement community which maintains common grounds, open grassy areas, and boulevards with trees. The rate increase would increase my water bill for my house by approximately 80%, and would affect my HOA dues as well. Being retired and on a fixed income (with no cost of living adjustments for Social Security for the last two years) this would negatively affect me.

While I am definitely against the proposed rate hike, I must be fair and say that I can understand some adjustment in rates are necessary. I believe that Arizona-American Water is probably quite justified in asking for a rate hike, but not of the scale they have requested. It would indicate to me that the management of the company has not done their jobs properly if they have left their cash flow deteriorate to the point that an 80% rate increase is necessary. If a rate hike greater than 10% is truly required to keep them financially healthy then it should be granted on an incremental bases over a several years.

Charles A. Triplett
Ph. No. (623)975-9905
E-Mail: catsurprise1@yahoo.com

Katherine Nutt

From: Theshoedog@aol.com
Sent: Tuesday, July 19, 2011 3:55 PM
To: Kennedy-Web
Subject: Water rate increase

My wife and I are retired and on a fixed income. We are struggling now to pay our bills and the water rate increase the commission has requested will create an extreme hardship. I request that you vote nay on this issue.

Thank you,
Anthony and Sandra Pancamo

16849 West Capitol Reef Court
Surprise, AZ 85387

Mrs. Kennedy
1200 West Washington
2nd Floor
Phoenix, AZ 85007

Dear Mrs. Kennedy,

I am writing to ask that you please deny the water rate increase that is proposed by The Arizona-American Water Company. In my humble opinion, it is ridiculous for any entity to seek an 82.89% increase in a service that could make a profit at current rates, if operated properly.

It is my understanding, that AAW is trying to recapture costs associated with the construction of a new plant. I also understand that this new facility was constructed to serve expected new expansions in their operating system. Because these expansions did not happen, should not be the burden of existing customers.

If you find it necessary to grant an increase, please consider making it an assessment that could be paid monthly, but not be an increase in the water rate. An increase in the water rate would penalize me for as long as I am on their system.

Cordially,


William L Biechler

ARIZONA CORPORATION COMMISIONER

DEAR MRS KENNEDY,

**I AM WRITING YOU TO ASK THAT YOU DO NOT VOTE FOR
THE PROPOSED WATER INCREASE SOON TO BE VOTED
ON AUGUST 17TH. WE AS RESIDENTS OF SUN CITY
GRAND ARE ON A FIXED INCOME AND RETIRED AND A
RAISE IN OUR WATER RATES WOULD SURELY PUT US
OVER THE EDGE. CONSIDER US SENIORS IN YOUR
DECISION.**

SINCERELY,

Ellen Ross / Lucille Spangler

ELLEN ROSS AND LUCILLE SPANGLER

Marcia M. David

Surprise, AZ 85374

623-975-5481

Sandra D. Kennedy
Arizona Corp. Commission
Commissioner Wing
1200 West Washington
Phoenix, AZ 85007-2996

Dear Commissioner Kennedy,

I am writing to let you know I am strongly against the proposal of the Arizona American Water Company raising the water rates in Surprise by 82.89%. And not only that, but keep in mind even if an agreement is met to lower the amount by half to 41%, that is still a huge addition to our water bill. Please do the right thing by standing up for the city of Surprise and her citizens.

Also take under consideration that this not only affects a family in their home, but also the Home Owners Association where their home is located. So we will be hit twice by higher water bills.

At a time when our country is facing a financial crisis is not the time to side with big business and leave the hard-working citizens to fend for themselves.

Please think this over and do the right thing. DO NOT SUPPORT the increase proposed by Arizona American Water.

Thank you.

Sincerely,

Marcia M. David

Marcia M. David